

QUARTERLY UPDATE

ANNOUNCEMENTS

Cummins & Barnard Opens New Office in Chicago

On May 21, 2007, Cummins & Barnard opened a new office in Chicago. The office, located in the financial district of Chicago's Loop area, is headed by Peter Guletsky, Vice President and General Manager of C&B's Chicago office.



Located on the 32nd floor of 30 North LaSalle, contains 3,800 square feet of finished space with complete business amenities. C&B shares the suite with HDR's Chicago Transportation Engineering Group.



The opening of the Chicago office is part of C&B's strategic planning efforts that include expanding firm operations beyond Ann Arbor and providing opportunities for increased growth to meet the expanding utility power market. The Chicago office will allow C&B to sustain its growth while keeping the Ann Arbor headquarters at a size where its unique culture and excellent client service can be maintained. The city of Chicago was selected because it has a large market for

power plant engineers and is located close to several key clients. The office is accessible by Amtrak trains arriving at Chicago's Union Station, and commuter trains from O'Hare or Midway Airports, as well as by car.



C&B Hires New VP to Head Chicago Office



Peter Guletsky recently joined the C&B staff as Vice President and General Manager of the Chicago office. Peter graduated from Tufts University with a B.S. and M.S. in Chemical Engineering. He has a Master's degree in Management from Northwestern University. Peter

brings over 27 years of experience in the utility industry, with previous positions at Alstom and Sargent & Lundy. He has an extensive background in air quality control projects and has served over the course of his career as a process engineer, engineering manager and project manager.

Peter's goals for the Chicago office include:

- Developing a full service office that supports C&B's long range growth plans for providing value to our clients. Our intent is for this office to be a full service, smaller version of the corporate office and be able to execute projects in Chicago with a staff of engineers, managers and technical specialists.
- Ensuring that the office is fully integrated with Ann Arbor operations, creating an ideal working relationship for communications, project work, culture and people to flow back and forth between the offices.
- Finally and, perhaps, the most important goal is to copy the C&B model for success. We want the Chicago staff to capture the "work hard, play hard and have fun spirit" of the corporate headquarters; thus, creating a work environment of teamwork, professionalism and learning opportunities.

Peter sums it all up by stating that the new office offers exciting opportunities and challenges to achieve its goals. He looks forward to building the framework that will enable the vision to quickly become reality.

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PROJECT UPDATES

E.ON U.S. (LG&E) Trimble County Generating Station Fuel Blending

Cummins & Barnard has developed conceptual designs for a fuel blending addition to the existing TC2 Generating Station, located near Bedford, Kentucky. The system will blend Powder River Basin and High Sulfur Eastern Coal to produce performance fuel at a specified sulfur content for this 750 MW plant. The design includes five underground hoppers with weighted belt feeders that batch to another conveyor. Blending requires accuracy and stringent controls to meet fuel specifications for Unit 2. C&B is preparing a Request for Proposal (RFP) for Engineering Procurement Contractors (EPC) that will be issued later this year.



Confidential Industrial Client Air Compressor Replacement

Cummins & Barnard is providing design development, detailed design engineering, procurement support and construction administrative services for a new enclosed, compressed air plant which will replace existing compressed air equipment located throughout the plant. It also will provide instrument and plant quality air to all production, process and utility plant users. Steam turbine driven centrifugal air compressors, variable speed driven electric rotary screw air compressors, desiccant dryers, air receiver tanks, electrical service equipment, back up generator and an industrial grade building enclosure comprise the major equipment associated with this project. Unique design characteristics involve incorporating an existing building foundation, interconnecting ties to existing utilities, plant environmental considerations and equipment controls sequencing during operations.

Confidential Client AQCS Projects

C&B has been selected to provide Owner's Engineer Services to review multi-pollutant emissions compliance plan and provide support on FGD and SCR retrofits at multiple facilities. The facilities involved burn PRB coal and total over 1400 MW. Specific project assignments include:

- Assistance with FGD bids and negotiation and award of contracts
- Assistance in developing project execution plans
- Site specific analyses of technology applications
- Site specific development for SCR, injection systems and PJFF
- Review and oversight of contractor deliverables

We Energies Valley Plant NO_x Reduction

Cummins & Barnard is providing engineering consulting and program management services to support NO_x emission reductions at the 272 MW Valley Plant, located in Milwaukee, Wisconsin. C&B has identified potential suppliers for combustion modification and SNCR technologies. Scope includes developing project schedule and cost estimate, preparing equipment purchase specifications, performing bid evaluations, and following up with selected supplier document submittal reviews. C&B is also facilitating the installation contractor's project plan and reviewing the installation cost estimate.



E.ON U.S. Generation Technology Option Study

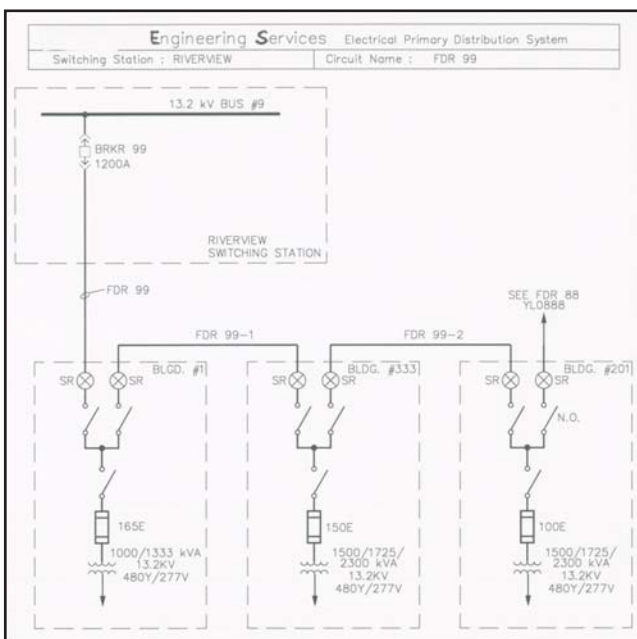
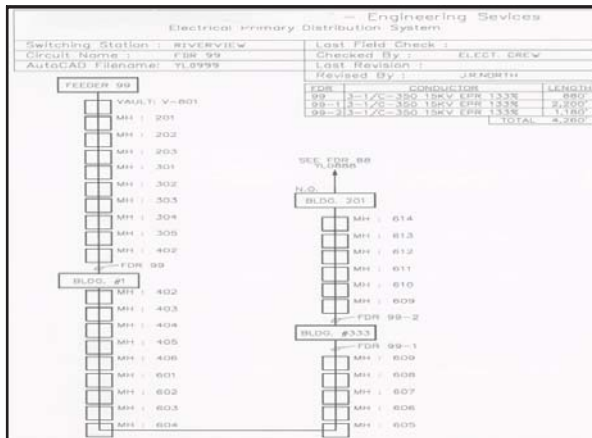
E.ON has requested engineering assistance to study generation technologies available to support their integrated resource planning efforts. The goal of the project is to: 1) update technical, performance, and operating cost data for power generation technologies operating in Kentucky, 2) provide capital cost expectations for each technology evaluated, 3) prepare a report documenting the findings, and 4) provide cost estimates for unserved energy. C&B has

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teamed with Pace Global on this effort with C&B completing Tasks 1-3 and Pace Global Task 4.

The University of Michigan Electrical Documentation

The University of Michigan began utilizing the services of C&B in 1946. One of the ongoing services that C&B provides is documentation of underground primary electric duct banks, manholes, one-line diagrams, and outdoor site lighting poles and circuits for the Ann Arbor Campus. C&B's blanket contract to provide these services was recently renewed. We work with high voltage electric and outdoor site lighting crews to update AutoCAD, MicroStation and Access database files.



University of Notre Dame Boiler No. 6 Addition

New addition nears completion! C&B was retained by the University of Notre Dame to provide comprehensive equipment procurement support, engineering design, architectural design, specifications and construction administration for the addition of a new No. 2 fuel oil and natural gas-fired boiler rated at nominally 180,000 lb/hr at their existing Power Plant. Construction of the addition began in August 2006 and first fire was achieved early in July 2007. Final project completion and commissioning activities are proceeding.



PROFESSIONAL ACTIVITIES

2007 Coal-Gen, August 1-3, Milwaukee, Wisconsin

P. Jason Dobson, P.E.'s abstract has been selected for presentation at the 2007 Coal-Gen Conference. Jason will be presenting "Evolution of High Chromium Alloy Steels in Fossil Power Plant Environments." The presentation will address the increasing need for proper processing and control of durable, elevated temperature resistant materials from start to finish to ensure that service performance is according to design. It will also cover the material characteristics of higher chromium alloy steels, recommendations for future use of Grade 92 steel, avoidance of problems that are being encountered in the power industry with these materials, and ongoing ASME code changes to address industry concerns. The paper will provide guidelines for Owners and the power industry to achieve "proper" material processing and control.



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PEOPLE

Gilbert Fennimore, Senior Project Controls Analyst



Gil Fennimore joined C&B as a Senior Project Controls Analyst. Gil graduated from the University of Michigan with a B.S. in Electrical Engineering and from Eastern Michigan University with a M.S. in Business Administration. He brings over 38 years of experience with

various engineering firms, contractors and an automotive manufacturer. Gil is active in the American Association of Cost Engineers and is a past President. He was awarded "Cost Engineer of the Year" and has authored three papers on cost engineering. Prior to joining C&B, his previous position was in forensic engineering for EFI Global. He is a registered professional engineer in three states.

Douglas Gough, Project Field Consultant



Douglas Gough graduated from East Tennessee State University in Johnson City, Tennessee with a B.S. in Industrial Technology. Throughout his career, Doug has served as a plant manager, maintenance manager, engineer and ICE supervisor. He also is experienced in commissioning, troubleshooting and

technical support for turbines, generators, boilers, water plants, SCRs, SDAs, slakers, ESPs, baghouses, DCSs, PLCs and CEMs. His experience includes six coal-fired and combined cycle power plant start-ups. Doug also has 10 years of management experience and 12 years of planning and outage management experience. Doug will provide field support for C&B's Trimble County project for E.ON U.S.

Joseph Dickerson, Civil/Structural Engineer



Joe Dickerson is a registered professional engineer in Michigan. He graduated from the University of Missouri-Rolla in Rolla, Missouri with a B.S. in Civil Engineering. He also has a M.S. in Civil Engineering, emphasizing structures, from Wayne

State University. Joe brings 10 years of experience to C&B involving education facilities, power generation, power distribution, heavy industrial, and commercial projects. His professional affiliations include ASCE and SEAMi. He joined C&B as a Civil/Structural Engineer.

Kevin Kerwin, Civil/Structural Engineer



Kevin Kerwin joined C&B as a Civil/Structural Engineer. Kevin graduated from Purdue University with a B.S. in Civil Engineering with an emphasis in structures. He spent over six years in New York designing steel and concrete high-rises and specializing in lateral systems. During the past three years,

Kevin designed low and mid-rise buildings for a small firm in Farmington Hills. He is registered in both New York and Michigan.

Ed Burke, Senior Electrical Engineer



Ed Burke joined C&B as a Senior Electrical Engineer. Ed graduated from Northeastern University with a B.S. in Electrical Engineering, focusing on electrical power systems. Ed is a registered professional engineer in Pennsylvania and has over 35 years of

electrical engineering experience with power systems. His most recent assignments were with Stone & Webster, Jacobs Engineering Group and Raytheon Engineers & Constructors. Project work included new and retrofit coal-fired, combined cycle and nuclear plants.

CORPORATE EVENTS

C&B Corporate Golf Outing

The annual C&B Golf Outing was held at Reddeman Farms again this year on June 22, 2007. Twelve teams participated in the scramble format outing.



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Tigers Game Outing

On June 8, 2007, C&B employees enjoyed a night at Comerica Park to watch Detroit Tigers take on New York Mets.



COMMUNITY NEWS

Saline Celtic Festival Volunteer

James H. Peters, C&B Design Services, is on the Budgetary Committee of the Saline Celtic Festival. Jim also is responsible for the festival's family favorite attraction "Mill Pond Millie" (the Loch Ness Monster's cousin) which he designed and built. In addition, he acts as the graphic artist for the festival and creates designs for advertising and merchandise.

The 2007 Saline Celtic Festival was held on July 13 and 14 at the Mill Pond Park. The festival was full of singing, dancing, and music and featured the Professional Highland Heavy Athletes, Tartan Terrors (Celtic comedy band), Sheep Dog demonstration, Mill Pond Millie, Celtic Merchant Village, five pipe bands, and delicious food and drinks! C&B was a corporate sponsor of the event.

